

HOUSE BILL 2589
By McDonald

AN ACT to amend Tennessee Code Annotated, Title 56, relative to continuity of care for certain purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 7, is amended by adding Section 2 of this act as a new, appropriately designated part.

SECTION 2. (a) For the purpose of this act, the term "health insurance issuer" means an entity regulated under this title that offers health insurance coverage, which shall include any individual, franchise, blanket or group health insurance policy, medical service plan contract, hospital service corporation contract, hospital and medical service corporation contract, fraternal benefit society contract, or such contract with a health maintenance organization or managed care organization but such term specifically does not include health care provided under the TennCare program.

(b) Each health insurance issuer shall allow a subscriber or enrollee:

(1) to continue receiving care when medically necessary from a treating provider who is terminated without cause for a period of one hundred eighty (180) days from the date of termination, provided the subscriber or enrollee has a life-threatening condition or a disabling and degenerative condition.

(2) who is in the third trimester of pregnancy to continue care with a treating provider who is terminated without cause until completion of postpartum care.

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(c) The provisions of subsection (b) shall only apply if the treating provider agrees to continue to be bound by the terms and conditions of the contract for such continued care.

(d) Each health insurance issuer shall provide for continued care for a subscriber or enrollee being treated at an in-patient facility until the patient is discharged.

(e) If a health insurance issuer revises its drug formulary to remove drugs from a previously approved formulary, the health insurance issuer shall allow a subscriber or enrollee to continue receiving a drug the subscriber or enrollee had been receiving prior to the change, and to reimburse the provider for such drug, until the subscriber or enrollee completes the appeals process or until an acceptable substitute is found.

SECTION 3. This act shall take effect July 1, 1998, the public welfare requiring it and shall apply to all health care contracts or plans to which this act applies issued or renewed on or after such date.